



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Environmental Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE
Prevention, Preparedness and Response Program

555 Cordova Street
Anchorage, AK 99501
Office: 907-269-7557
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Returned Receipt Requested
Article No. 7016 1370 0000 0241 8714

February 24, 2017

NOTICE OF VIOLATION

Mr. David Wilkins
Hilcorp Alaska, LLC
3800 Centerpoint Drive, Suite 1400
Anchorage, AK 99503

Enforcement Tracking No. 17-R0339-40-0001
Spill No. 17239903801

The Alaska Department of Environmental Conservation (department) alleges that beginning on or about February 7, 2017, and continuing through the present, Hilcorp Alaska did, and continues to unlawfully fail to comply with the below Alaska Statutes and regulations by discharging methane gas from an 8-inch natural gas pipeline, owned and operated by Hilcorp, into the waters of Cook Inlet:

1. Alaska Statute (AS) 46.03.710 – Pollution Prohibited
2. AS 46.09.020 – Containment and Cleanup of a Released Hazardous Substance
3. 18 AAC 75.300
4. 18 Alaska Administrative Code (AAC) 70 Water Quality Standards
5. 18 AAC 83 Alaska Pollutant Discharge Eliminations System.

The current estimated rate of leak is between 210,000 to 310,000 cubic feet per day.

To address the violation(s) described above, the department requires that you do the following:

- a. **Provide a comprehensive plan** that details what actions Hilcorp will be taking to mitigate the discharge of methane into the waters of Cook Inlet. The plan shall include the estimated dates of repair, and how the pipeline will be repaired. The plan shall include what actions Hilcorp will take to prevent discharges from occurring in the future.

Please respond to this request by no later than **March 1, 2017**. Deliverables can be submitted via mail, email, or fax:

Alaska Department of Environmental Conservation

Attn: Mike Solter

555 Cordova Street

Anchorage, AK 99501

Michael.Solter@alaska.gov

Fax: 907. 269.4064

Attn: Geoff Merrell

555 Cordova Street

Anchorage, AK 99501

Geoff.Merrell@alaska.gov

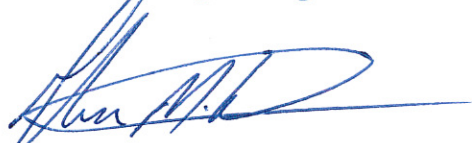
Fax: 907-269-7648

Penalties for violation of State statutes and regulations can be quite serious. In a civil action, a person who violates or causes or permits to be violated a provision of DEC statute or regulation, may be liable to the State for substantial civil penalties and monetary damages under AS 46.03.760 for the initial day of violation and for each day the violation continues. You are also liable for the State's response costs under AS 46.03.822 and for other kinds of damages or penalties under other statutes.

In a criminal violation, a person who acts with criminal negligence may be guilty of a Class A misdemeanor. AS 46.03.790. Upon conviction, a defendant who is not an organization may be sentenced to pay a fine not exceeding \$10,000.00 and/or sentenced to a definite term of imprisonment of not more than one year. Upon conviction, a defendant that is an organization may be sentenced to pay a fine not exceeding the greater of \$500,000.00 or an amount which is three times the pecuniary damage or loss caused by the defendant to another or property of another. AS 12.55.035; each day of violation may be considered a separate violation. Alaska laws allow the State to pursue both civil and criminal actions concurrently.

Nothing in this notice shall be construed as a waiver of the State's authority or as an agreement on the part of the State to forego judicial or administrative enforcement of the above-described violation(s) or to seek recovery of damages, cost and penalties as prescribed by law. In addition, nothing herein shall be construed as a waiver of enforcement for past, present, or future violations not specifically set forth herein.

If you have additional questions, please contact Michael Solter at (907) 269-6281, Michael.Solter@alaska.gov, or Geoff Merrell at (907) 269-7682, Geoff.Merrell@alaska.gov.



Graham Wood
Program Manager
Credential No. R-0149